Recommended for you

Crossing Minds

Omnichannel Personalization:

Best practices for
retailers in 2023

Introduction

Increasingly, retail consumers expect to be able to shop in an omnichannel ecosystem – meaning, having the ability to move seamlessly across experiences such as in-store, online, in-app, and more while browsing for items and making purchases. According to Shopify, **brands that sell online through mobile apps, social media, marketplaces, as well as physical locations boast 190% more in revenue than those retailers that only use a single channel** for sales. Additionally, consumers who shop across multiple channels spent 15% more per purchase than their single-channel counterparts (source: Ayden). For retailers, the message is clear: adapt to this customer expectation or get left in the dust by competitors that have a thorough omnichannel strategy.

What is omnichannel marketing?

Omnichannel marketing refers to the practice of bridging multiple channels like online, in-store, email, in-app, social, and SMS to achieve greater conversions and sales. **More and more, consumers are shopping in a non-linear fashion.** For example, they may view an item on a store's website, then ultimately purchase the product in a physical store, with many interactions in between across various channels. Because of this, it's important to not only reach your consumers on each of these channels, but have the channels integrated with each other in such a way that a consumer can quickly pick up where they left off. **An effective omnichannel strategy can help businesses succeed in converting abandoned carts**, increasing average order value (AOV), and nurturing customer loyalty.

Every well-oiled retailer needs a solid omnichannel approach in order to meet customers where they are – literally and figuratively. And for good reason: omnichannel has far-reaching impact for many functions of a business.

Brand

Omnichannel marketing has huge implications for brand teams. Delivering a seamless brand experience between in-person and online requires strong team alignment and planning. Brands that invest time and effort in omnichannel will experience greater NPS and brand perception.
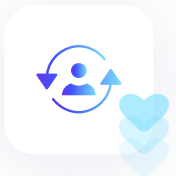
Retention & CRM

Retention marketers are already focused on meeting customers where they are, making them natural omnichannel allies. Still, when retention & CRM marketers are armed with insights and data from in-person experiences, their depth of expertise - and effectiveness - will continue to increase.

Product & E-commerce

An omnichannel perspective presents new opportunities and challenges with data. Product and E-commerce teams have much to gain from investing in smart omnichannel practices, because data from one channel may be used to optimize an experience on another channel.

The Importance of Getting Omnichannel Right

Who is the new digital shopper, and how do you build their trust? The new digital shopper is extremely informed, tech-savvy, and highly attuned to brands' identities. The new digital shopper's path is not linear; rather, it's extremely complex. In the mid-2010s, it would have been common for a shopper to visit a website, see a product, and checkout in the same session (without the aid of any other channel).

Rapidly, this process is changing. The path is no longer linear. Take this buying journey as an example:

Omnichannel Ecosystem
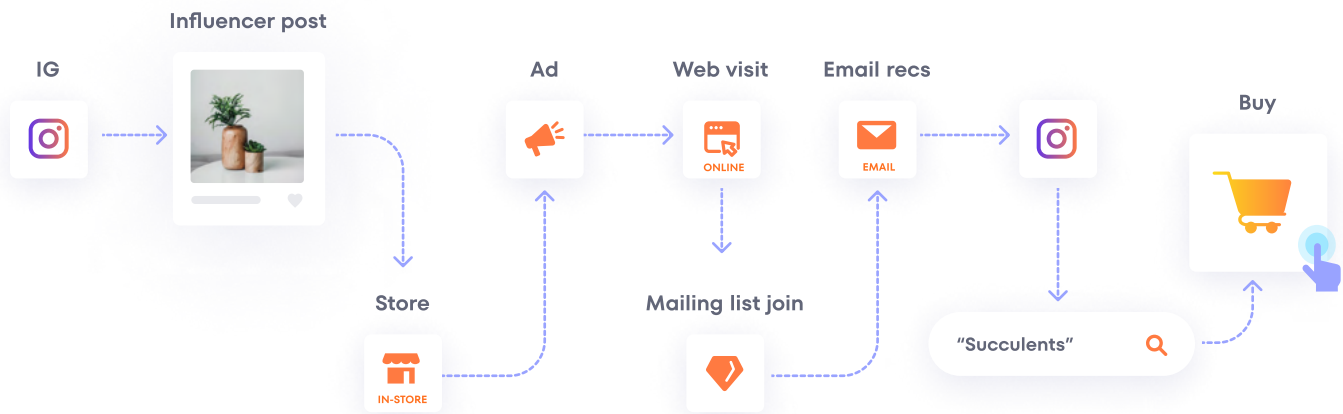
Notably, the challenge is to maintain all channels to an acceptable level. Gen Z, for example, may be highly influenced by TikTok and Instagram. If one of those accounts appears inactive, disengaged, or lacking in overall "popularity," it can tremendously reduce the likelihood of their conversion.

CUSTOMER DATA

Effective & Comprehensive First-Party Data Management

With the demise of third-party cookies imminent, retailers will need a new way to market to customers based on taste. This is true whether you're engaging a customer on your website, in-store, or any other location within your business' omnichannel ecosystem. How does a business then go about surfacing items of interest to customers without third-party data?

It's important that you realize the invaluable role your business' first-party data plays in the process.

First-party data, which is information obtained through an open exchange with a user or customer, can give you critical insights into a customer's behavior and help you market to them better. Interestingly, **this methodology is inherently better than third-party cookies ever were at predicting a user's taste because it focuses on behavior** as opposed to demographic information. With this data in your hands, you'll want to organize it in such a way that you're getting the most out of it. Whether you're using a customer data platform (CDP), personalization platform, or managing the data yourself in-house, you'll want to make sure the data is clean and easily accessible to help you achieve your omnichannel marketing goals.

With an effective first-party data management strategy in place, you'll be able to use that information to remarket to customers in a variety of ways across countless channels.

ONLINE   EMAIL
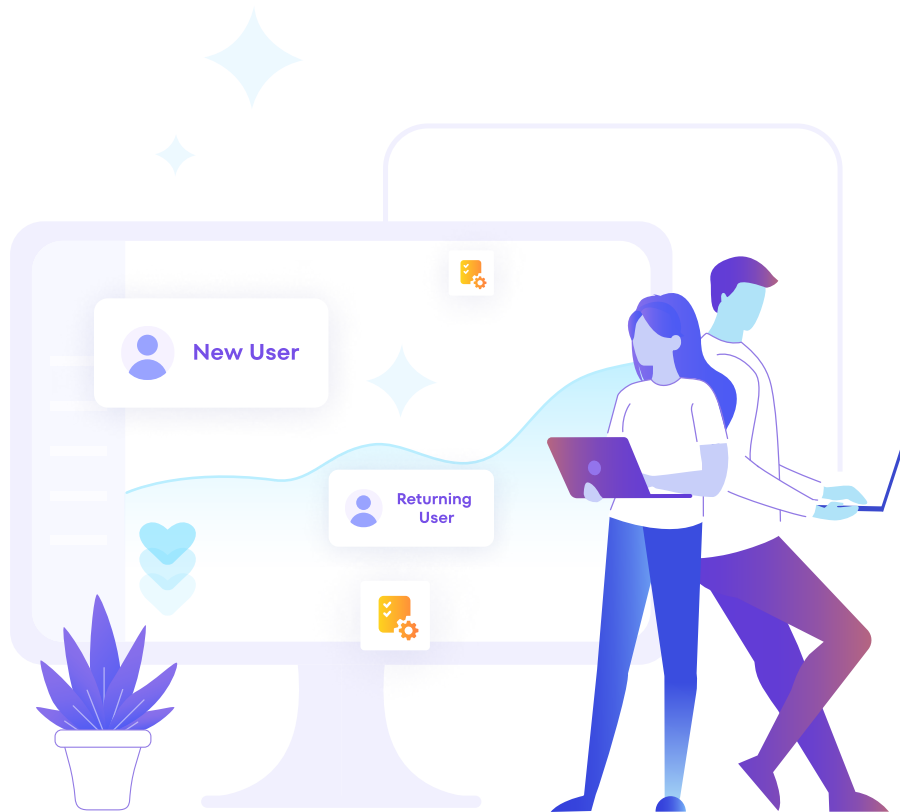
Strategic Coupons & Offers Based on Shopping Behaviors

Coupons and special offers are a great tool for any e-commerce business to leverage in order to get more conversions and increase customer loyalty. But how do you make the most out of this practice without blindly offering deals to any and everyone that may not be particularly relevant to either a customer's life stage or behaviors? Using first-party data takes the process to the next level by being deliberate about which offers you present to which customers, and when.
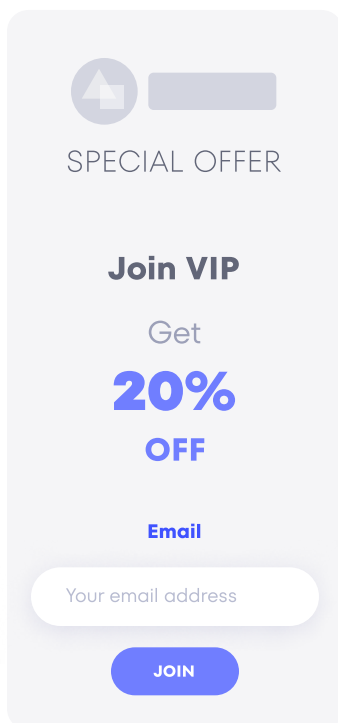
A great way to gain a user's first-party data quickly and also set the scene for omnichannel marketing opportunities is to offer a coupon or discount in exchange for their email address. While a special offer is a good way to gather some quick conversions, it's arguably more valuable for your long-term sales goals. Particularly for new and anonymized users, this method can help you identify someone and track their on-site behaviors such as clicks, scrolls, likes, adds to cart, and so on in order to reengage them later.

If you've offered a discount or coupon and the user doesn't bite, but continues to browse around your site without making a purchase, consider another pop-up after several minutes with a countdown clock to attain additional savings. Anything you can do to get the user to provide their email address without putting them off is ideal.

Once you've obtained their first-party data in exchange for a coupon or deal, you'll be able to gain the customer's trust by providing them with a highly custom experience across all of your business' channels for the entirety of their customer lifespan.

SPECIAL OFFER

Join VIP

Get

20%

OFF

Email

Your email address

JOIN

SOCIAL MEDIA

Display Ad Retargeting Specific to a Customer's Taste

Retargeting customers across other channels once they've navigated away from your website is critical for retention. While display ads may already be a part of your digital marketing team's recurring efforts, **highly personalized campaigns can be the difference between an abandoned cart and a completed purchase**.

Part of meeting your customers where they're at is reminding them of content or items they've interacted with on your site in other places, such as social media or through Google Ads. If someone visits your store and spends a few minutes clicking around, favoriting items, or even adding things to the cart without completing a transaction, you can use this as an opportunity to reengage them elsewhere. According to marketing consulting firm Invesp, website visitors that were retargeted with display ads were 70% more likely to convert.

How does the approach differ from traditional display ads you might run, such as those for brand awareness? The key is leveraging data obtained from the user's visits to your site. Instead of showing them a generic ad about your brand, take it a step further by displaying the products they interacted with or left in an abandoned cart to really push them toward a purchase.
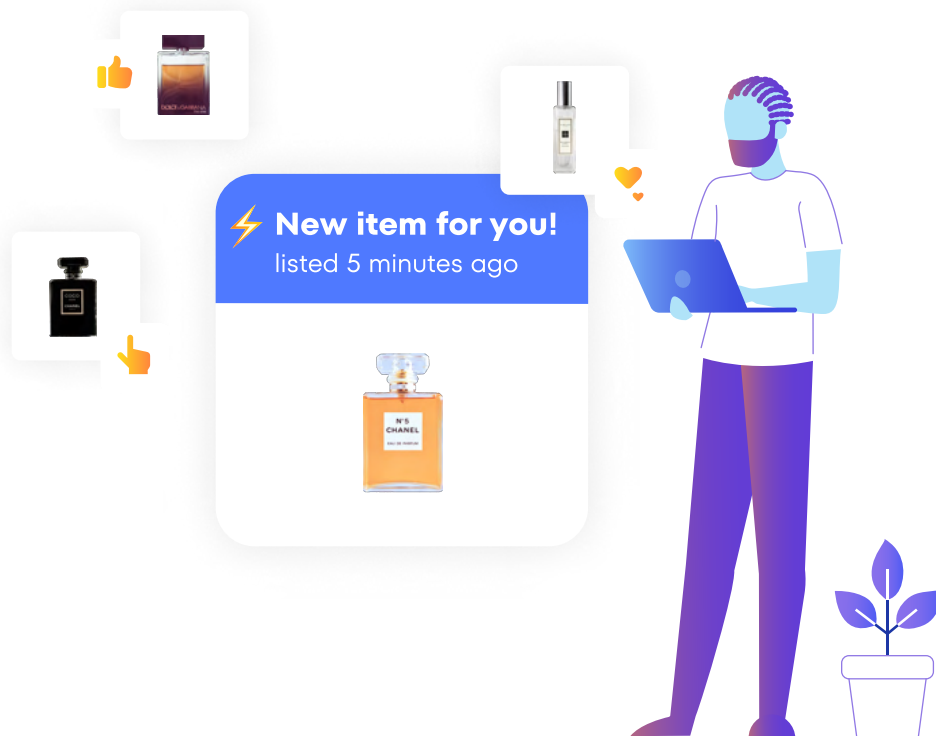
EMAIL

Highly Personalized and Accurate Recommendation Emails

When a customer makes a purchase or signs up for your mailing list, it's an excellent way for you to keep in touch with them and let them know about sales, new product offerings, popular items, and more. But is your business being as strategic as it could be with these communications so that they lead to increased conversions?

Possession of an email address and other customer-specific data is even more valuable to be able to remarket to them via email with items they've already previously interacted with. Research by Experian found that personalized email experiences led to 6x higher transaction rates. Using a sophisticated personalization and recommendation solution for email, you can achieve significant conversion increases.

Reengage those who've abandoned their carts to remind them of what they left behind. Or, send them recommendations based on their previous behavior on the website, whether it be past purchases or clicks and favorites. These emails not only have a higher conversion rate than standard marketing emails, but they also build confidence in the consumer that your business understands them. This enables a better customer experience overall, improving retention.

⚡ **New item for you!**
listed 5 minutes ago

EMAIL

Deeply Segmented Email Lists for High Value Conversions

While your most loyal customers may not be at risk of churn compared to average ones, it's still in a retailer's best interest to make them feel appreciated from time to time. In addition to further improving retention, you're likely to achieve some killer conversions by paying special attention to your best buyers.

According to a study by Klaviyo, highly segmented lists of most frequent customers often make up just 3-5% of an overall list. What this sublist lacks in size, however, it more than makes up for in buying power – these **VIP customers spend 3x as much as an average buyer**.

As part of your omnichannel email marketing efforts, consider targeting this loyal audience with highly-personalized communications, highlighting items that the user previously interacted with on-site or recommendations based on their past behavior.

In contrast to the emails an average customer would get, you can sweeten the deal by offering the segmented list a special discount for being a loyal customer. Because their carts are likely to have a higher AOV, you'll still be making a great sale even with the special offer.

ONLINE   **EMAIL**   **APP**

Get the Most of Checkout with Bundling & Upselling

That moment where a customer reaches their cart and is about to click "buy" may seem like hitting the jackpot for your business. However, retailers can get even more bang per conversion using the methods of upselling and bundling. By leveraging the data gleaned from on-site user behavior, you can send them relevant recommendations to their email or in-app, or even while the customer is still in cart view. In fact, according to Invesp, this method increased e-commerce businesses' AOV by 20%.

Frequently Bought Together

You Might Also Like

$60.00

$56.00

1

Short-Sleeve T-Shirt $51.00
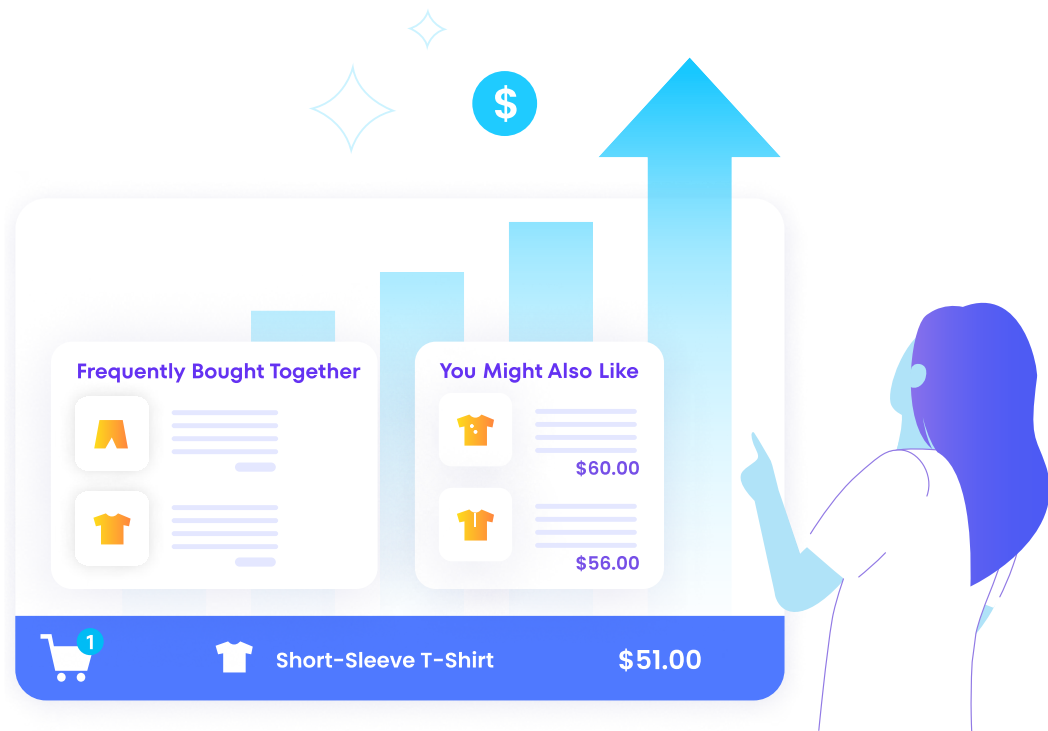
For example, if a customer has previously browsed or purchased golf shoes, you could send them a follow-up email that includes a bundle with the shoes, a polo shirt, and a visor. Alternatively, you can make recommendations based on their browsing behavior of similar products that are retailing for a higher price point.

This experience can certainly increase the order value on individual purchases; plus, it will deepen the connection between your business and the customer by providing them with a highly customized experience they'll love and come to associate with your brand.

Bridging the experience: Upsell at point of sale

Omnichannel leaders should be aware of various opportunities to bridge online and in-person experiences to upsell more appropriately. For example:

- **Upsell and bundle recommendations at the register.** For in-person checkouts, enable your store clerk to provide upsell and bundle recommendations during face-to-face interactions. Use the customer loyalty card scan to "sign in" the customer and automatically bring up the items they're most likely to purchase or add on.
- **Kiosk recommendations.** Similar to a store clerk that can recommend styles based on what a customer likes, retailers can automate this process by using digital kiosks in the store that encourage shoppers to find items they'll like. Again, a customer's data can be leveraged and quickly accessed when they scan their loyalty card. This is one example of how retailers can use smart recommendation engines to provide enhanced experiences for in-person retail.

ONLINE EMAIL APP SOCIAL MEDIA

Accurate Omnichannel Inventory Syncing

According to Shopify, it costs businesses nearly $2 trillion a year to deal with the fallout from inventory problems like overstocks, out-of-stocks, and preventable returns. Those problems will only likely continue due to ongoing supply chain issues in a post-COVID economy. If you're leveraging an omnichannel approach for your marketing, it's crucial that you be able to manage and display your inventory across all channels accurately.

Using an inventory management solution that syncs seamlessly across all of your channels is one way to ensure that you minimize your inventory-related costs, as well as reduce the risk of frustrating customers. Depending on your personalization platform's capabilities, you may also be able to tailor recommendations based on inventory, as well.

For example, you could choose to prioritize overstock items as recommendations to users whose tastes match the item's DNA. Conversely, you could deemphasize items that match the user's interests and tastes if you are running low on inventory.

ONLINE   **SOCIAL MEDIA**   **EMAIL**   **APP**

Leverage User-Generated Content & Influencer Marketing

Leveraging the voices of others to prop up your brand should be part of your omnichannel approach. Whether you're talking email recommendations or social media, these marketing avenues can be a valuable method to engage consumers when they're away from your business' website or brick-and-mortar store.

Partnering with influencers to create content that can be shared on product detail pages and your social media channels, as well as across their wider networks, is a great way to gain clout for your business. However, user-generated content (UGC) is a more cost-effective solution that ranks more highly with consumers - Nielsen research shows that **92% of buyers trust UGC more than traditional forms of marketing**. That's because they view UGC as being the voice of regular folks just like them.

Tapping user reviews of your brand or products, as well as running hashtag campaigns or contests to build up a library of UGC, can make for excellent content to share in your omnichannel reach via product pages, email, and social media.
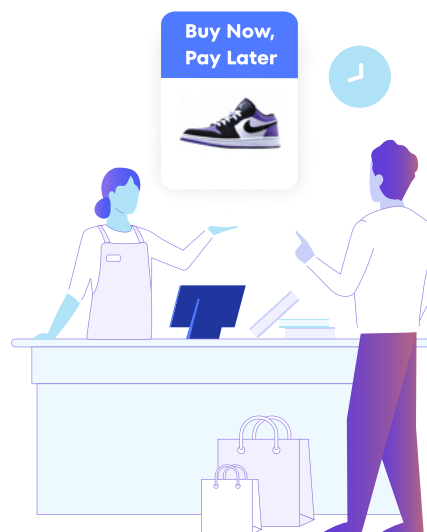
IN-STORE

Use Buy Now, Pay Later Options Online and In-Store

By now, you've probably heard about the runaway success of Buy Now, Pay Later (BNPL) options like Klarna and Afterpay. In fact, according to Grand View Research, the BNPL market is expected to grow a further 26% by the year 2030. In particular, 55% of Gen Zers and 49% of Millennials are expected to use a BNPL option at least once per year, according to eMarketer. This makes including BNPL options at checkout on your website a no-brainer.

However, you can take it a step further by incorporating it into your omnichannel strategy by offering the same BNPL options in-store if you have a brick-and-mortar presence. Research by PYMNTS found that 59% of consumers said they'd be more likely to shop a brand in person if they offered BNPL in-store. Some BNPL vendors are already offering ways to bridge the gap between the online and in-store experiences, through digital cards for mobile or by having consumers log in to their online accounts while in-store.

ONLINE **IN-STORE**

Seamless Purchase, Pickup, and Return

During the pandemic, consumers needed greater flexibility to purchase, pick up, and return seamlessly between physical stores and online. In fact, Buy Online, Pickup In Store (BOPIS) shopping increased by 107% in 2020, according to Fit Small Business. This trend is unlikely to reverse – in fact, McKinsey reports that 60% of consumers plan to continue the practice even with the worst of the pandemic behind us. For retailers with both an online and brick-and-mortar presence, this serves as an attractive alternative to competitors who don't offer that ability, and may be a deciding factor in purchasing.

Similarly, but perhaps more complicated logistically, the ability to easily return products across channels is increasingly becoming a concern to consumers. According to Promocodes, 51% of shoppers avoid retailers with strict return policies, while nearly two-thirds said they would not return to a store after a negative return experience. Being able to easily return items in-store, regardless of where the purchase originated, can be a source of relief for consumers. Additionally, retailers may consider expediting the return process by providing pre-printed return labels or allowing for self-service returns at drop-off points outside of a brick-and-mortar store.

ONLINE   **IN-STORE**

Computer Vision to Gather In-Store Behavioral Data

E-commerce recommendation engines ingest behavioral data like clicks, time on page, and adds-to-cart to predict what each customers will want to purchase. But retailers are not limited to gathering that data only online.

Using computer vision in physical stores, retailers can now trace the movements of a customer as they shop in different parts of a store. For example, if a grocery shopper moves from the eggs to the milk, cameras can understand and synthesize those movements - and even detect when certain items are picked up.

When using this data to fuel a smart recommendation engine, **the options are endless**. Pairing these technologies allows retailers to:

- **Alert store associates.** If somebody interacted with a product but didn't take it to the checkout counter, store associates could be alerted to the missed opportunity.
- **Remarket from physical to digital**. Bridge physical & digital experiences by bringing physical experiences to the digital world. For example, if an apparel shopper spends 20 minutes interacting with a certain dress in a store, the retailer could feature that dress in their online experience as well.

ONLINE **IN-STORE**

Data-Driven Recommendations In-Store

What if in-store associates could also be more effective sales reps at the touch of a button? When equipped with tablets that can scan a customer's loyalty card, store associates can quickly access personalized recommendations that predict what a customer wants, based on their shopping behaviors.

Now, when a customer chats with a store associate, the associate will be able to instantly know which products the customer is most likely to purchase.

Omnichannel Resources

When it comes to recommendations and personalization, **Crossing Minds** can custom tailor a solution based on your business' unique challenges and needs. Here are some of our partners that can help you with the rest of your omnichannel strategy.

- **Attentive**: SMS Marketing
- **Braze**: Customer Experience
- **Gorgias**: Customer Experience
- **Klaviyo**: Email Marketing
- **Loop**: Returns
- **Narvar**: Customer Experience
- **Okendo**: UGC & Reviews
- **Plobal**: App Builder & Push Notifications